

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 5/19/2015	(3) CONTACT/PHONE Michael Boyce, Resident Engineer (805) 781-5285	
(4) SUBJECT Request to: 1) adopt a resolution authorizing execution of notice of completion and acceptance for the construction of Nacimiento Water Project Nacimiento River Crossing Pipe Repair; 2) authorize approval of Construction Contract Change Order No. 7, in the amount of \$50,000, for the construction contract early completion incentive provision; and 3) direct the Director of Public Works, or his designee, to execute and process Construction Contract Change Order No. 7. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District): <ol style="list-style-type: none"> 1. Adopt the attached resolution which authorizes the execution of a notice of completion and acceptance of the Construction of Nacimiento Water Project Nacimiento River Crossing Pipe Repair, (Contract No. 300529); and 2. Authorize Construction Contract Change Order No. 7, for the Nacimiento Water Project, Nacimiento River Crossing Pipe Repair Contract, in the amount of \$50,000 for the construction contract early completion incentive provision; and 3. Direct the Director of Public Works, or his designee, to execute and process Construction Contract Change Order No. 7. 			
(6) FUNDING SOURCE(S) Nacimiento Project Fund 2200001000	(7) ESTIMATED PROJ COST YEAR FINANCIAL IMPACT \$1,434,391.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? Yes	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 1/6/2015 #17	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 15MAY19-C-2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Michael Boyce, Resident Engineer
Scott Duffield, P.E., Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 5/19/2015

SUBJECT: Request to: 1) adopt a resolution authorizing execution of notice of completion and acceptance for the construction of Nacimiento Water Project Nacimiento River Crossing Pipe Repair; 2) authorize approval of Construction Contract Change Order No. 7, in the amount of \$50,000, for the construction contract early completion incentive provision; and 3) direct the Director of Public Works, or his designee, to execute and process Construction Contract Change Order No. 7. All Districts.

RECOMMENDATION

It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District):

1. Adopt the attached resolution which authorizes the execution of a notice of completion and acceptance of the Construction of Nacimiento Water Project Nacimiento River Crossing Pipe Repair, (Contract No. 300529); and
2. Authorize Construction Contract Change Order No. 7, for the Nacimiento Water Project, Nacimiento River Crossing Pipe Repair Contract, in the amount of \$50,000 for the construction contract early completion incentive provision; and
3. Direct the Director of Public Works, or his designee, to execute and process Construction Contract Change Order No. 7.

DISCUSSION

The project addressed leaks at the Nacimiento River Crossing for the pipeline by providing a plastic pipe liner for a distance of approximately 1800 linear feet. The construction contract was awarded to V. Lopez Jr. & Sons, G.E.C., Inc. on January 6, 2015 in the amount of \$841,417 and was constructed within the allowable working days. The pipeline was targeted to be brought back into service by April.

Due to this service requirement, in addition to the typically specified liquidated damages assessed if contract working days are exceeded by the contractor, this construction contract also included an incentive provision for construction completion ahead of the contract working days. The contract specifies that additional payment will be allowed in the amount of \$5,000 per working day for achievement of Substantial Completion in advance of the expiration of the allotted number of working days, with a maximum limit of \$50,000. The contractor achieved Substantial Completion on April 7, 2015; eleven days in advance of the allotted number of working days to reach the Substantial Completion milestone.

The attached Contract Change Order No. 7 will provide for additional payment to the contractor for the incentive provision.

Under Public Contract Code Section 20142 and based on the size of the contract award amount, it is required for the Board to approve change orders when they exceed an aggregate total of \$54,570.85. The total cost for Change Order Nos. 1-6 is \$46,500.00. The total cost for Contract Change Order No. 7 is \$50,000.00. Contract Change Order Nos. 1-6, have already been approved under authority of the Director of Public Works and issued for construction. Contract Change Order No. 7 will exceed change order authority and therefore requires approval from the Board.

The Contract Change Orders (CCO) and costs are described below:

CCO No.	Description	Estimated Cost
CCO 1	Increase 8 Steel Flanges to 32" at East & West Connect	\$19,000.00
CCO 2	Install Link Seals at East & West Connections	\$6,000.00
CCO 3	Increase Reducers Length at East & West Connections	\$7,000.00
CCO 4	CWI Welding Inspection & Testing	\$6,200.00
CCO 5	Install Manway Access Boxes Extend Comm. Conduits	\$3,500.00
CCO 6	Reconstruct Access Roadway Embankment	\$4,800.00
CCO 7	Incentive Payment	\$50,000.00
TOTAL		\$96,500.00

The attached schedule exhibit demonstrates contract compliance to the work days allowed and qualification to the full incentive.

OTHER AGENCY INVOLVEMENT/IMPACT

The Nacimientto participating agencies that receive Nacimientto water for distribution to their customers include the City of Paso Robles, Templeton Community Services District, Atascadero Mutual Water Company, the City of San Luis Obispo, and County Service Area 10A. The technical advisory group for Nacimientto Commission was advised of the use of an incentive clause for the project.

FINANCIAL CONSIDERATIONS

The Nacimientto River Crossing Pipe Repair project is being paid from construction fund savings and by participating agencies and is budgeted in the FY 2014-2015 Nacimientto Water Project Fund at \$1,544,701. The total project costs (including change orders 1-7) are estimated at \$1,434,391.

Ultimately the District will be seeking full reimbursement of these costs from the original Pipeline Contractor, Teichert Construction, and will then credit the participating agencies when/if reimbursement is received. No budget adjustment is necessary.

A final report of actual project costs will be filed with the clerk after any and all claims, disputes and adjustments have been resolved. We do not anticipate the final project cost to differ materially from the current estimated total. Five percent (5%) of total contractor payments are held by the County and released only after meeting the legal holding period after the Notice of Completion is filed.

Please see Exhibit A for an estimated cost breakdown of the project.

RESULTS

By taking the recommended action, the Board will cause the legal notice of completion for the construction of the Nacimiento Water Project River Crossing Pipe Repair, Contract No. 300529 to be recorded, and start the period of time during which liens can be filed by subcontractors against the prime contractor. Use of the incentive clause sought to expedite return to service for the pipeline. This provides for a well governed community.

c: Michael Boyce, Resident Engineer

File: Contract No. 300529

Reference: 15MAY19-C-2

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ATTACHMENTS

1. Vicinity Map
2. Exhibit A – Project Cost Estimates
3. Construction Contract Change Order No. 7
4. Schedule of Project Working Days
5. Resolution Authorizing Execution of Notice of Completion
6. Notice of Completion and Acceptance